



Required Report - public distribution

Date 7/18/2001

GAIN Report #IT1011

## Italy

## Citrus

## Semi-Annual

## 2001

Approved by:  
**Clay Hamilton**  
**U.S. Embassy**  
Prepared by:  
Franco Regini

---

**Report Highlights:** Favorable winter weather limited the forecasted decline in Italian citrus production with final production for oranges and tangerines reaching 1,750,000 and 594,000 mt respectively. Market conditions this year have improved significantly for all products except lemons with prices are 20-30% above those of the previous year. The Italian government is implementing a plan to spend \$60 million in national aid to the citrus sector. In addition, the GOI has spent \$15 million, and the Sicilian Region \$12 million to buy and process citrus fruit under a humanitarian aid program.

---

Includes PSD changes: Yes  
Includes Trade Matrix: No  
Semi-Annual Report  
Rome [IT2], IT1011

SITUATION AND OUTLOOK ..... Page 2 of 7  
    PSD TABLES ..... Page 3 of 7  
        Orange ..... Page 3 of 7  
        Orange Juice ..... Page 4 of 7  
        Lemons ..... Page 5 of 7  
        Tangerines ..... Page 6 of 7  
        Grapefruit ..... Page 7 of 7

## SITUATION AND OUTLOOK

Italian citrus production declined in 2000/2001 as forecast in our previous report (IT0037) due to a severe drought during the summer of 2000. However, the decline was not as great as expected due to very favorable weather conditions throughout the winter. As a result, forecast data have been revised upwards from the previous report for oranges and tangerines to 1,750,000 and 594,000 mt respectively. Final data of 1999/00 marketing year has been revised significantly because of a large amount of fruit which was unharvested due to the large output. Approximately 13% of total oranges, and 7% of lemons and tangerines were left on the trees. PS&D figures have been adjusted to reflect that amount of product that was marketed.

Final data for processed oranges and orange juice production for 1999/2000 have also been revised based on final figures from the Citrus Industry Institute (the only source for official data). Largely because of the large amount of unharvested fruit, the amount of oranges delivered to processors fell 30% to 600,000 mt with a similar reduction in juice. Large stock levels also contributed to the producers' decision to reduce production.

Following a very negative marketing year in 1999/00 for the Italian citrus industry, prices in the present marketing year have improved significantly for all products except lemons. The average farm prices for oranges in April 2001 (end of season) are above 0.20 Euros/Kg. Prices for the Tarocco Gallo (the premium Italian blood orange variety) were above 0.35 Euros/Kg. In general, prices are 20-30% above those of the previous year.

Italian citrus exports for 2000/01 are forecast to remain at average levels. Total numbers did increase in 1999/00 due to an increased supply and low prices, but in reality, Italian citrus exports account for only a small share of domestic production because of strong competition from Spanish and North African citrus fruits.

During April 2001, on the German market, Italian Tarocco (the typical Italian blood variety) was quoted on average at 0.9 Euros per Kilo v/s 0.8 Euros/Kg for the Spanish Valencia Late orange and 0.7 Euro/Kg for the Morocco Valencia Late orange.

After waiting 2 years for approval from the EU Commission, the Italian government recently began implementing its Citrus Plan it drafted in 1999. This plan will provide approximately \$60 million in national aid to the citrus sector with \$25 million will be used for a variety renovation program and the remaining \$35 million will be used for structural enhancement, market organization and promotional programs. In addition, the GOI has spent \$15 million to buy and process 61,000 tons of oranges, lemons and tangerines to be delivered to developing countries under a humanitarian aid program. According to the Italian Citrus Industry Association, a large portion of this juice (4 million liters of orange juice) has yet to be earmarked to delivery to any particular country.

The Sicilian Regional Authority will be using \$12 million of its funds to buy and process 55,000 tons of citrus fruit during 2001. The juice will also be used for humanitarian aid, but the program is also seen as a means of support to the Sicilian citrus sector.

The Orange juice PS&D table has been revised for 2000 and 2001 in order to meet the new instructions on reporting production in 65 degrees brix.

## PSD TABLES

## Orange

PSD Table						
Country	Italy					
Commodity	Fresh Oranges				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		11/1998		11/1999		11/2000
Area Planted	112000	112000	111000	111000	110000	110000
Area Harvested	109000	109000	108000	108000	107000	107000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	1422	1422	1993	1750	1595	1730
Imports	85	85	57	57	80	60
TOTAL SUPPLY	1507	1507	2050	1807	1675	1790
Exports	80	80	135	135	100	110
Fresh Dom. Consumption	966	966	1039	1072	875	1080
Processing	461	461	876	600	700	600
TOTAL DISTRIBUTION	1507	1507	2050	1807	1675	1790

## Orange Juice

PSD Table						
Country	Italy			65	Degrees Brix	
Commodity	Juice, Orange			1000	MT	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Deliv. To Processors	461	461	876	600	700	600
Beginning Stocks	26988	30	11587	13	18481	7
Production	22000	25	38135	32	24934	32
Imports	11734	14	19801	23	26401	23
TOTAL SUPPLY	60722	69	69523	68	69816	62
Exports	24934	28	26401	31	27868	30
Domestic Consumption	24201	28	24641	30	24934	30
Ending Stocks	11587	13	18481	7	17014	2
TOTAL DISTRIBUTION	60722	69	69523	68	69816	62

## Lemons

PSD Table						
Country	Italy					
Commodity	Fresh Lemons				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Planted	36000	36000	36000	36000	35000	35000
Area Harvested	36000	36000	36000	36000	35000	35000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	506	506	582	543	643	503
Imports	45	45	39	39	35	40
TOTAL SUPPLY	551	551	621	582	678	543
Exports	16	16	33	33	30	30
Fresh Dom. Consumption	227	227	208	208	228	203
Processing	308	308	380	341	420	310
TOTAL DISTRIBUTION	551	551	621	582	678	543

## Tangerines

PSD Table						
Country	Italy					
Commodity	Fresh Tangerines				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		11/1998		11/1999		11/2000
Area Planted	34000	34000	35000	35000	35000	35000
Area Harvested	33000	33000	34000	34000	34000	34000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	443	443	637	594	587	594
Imports	66	66	72	72	80	80
TOTAL SUPPLY	509	509	709	666	667	674
Exports	28	28	67	67	59	59
Fresh Dom. Consumption	398	398	477	477	453	453
Processing	83	83	165	122	155	162
TOTAL DISTRIBUTION	509	509	709	666	667	674

## Grapefruit

PSD Table						
Country	Italy					
Commodity	Fresh Grapefruit				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		06/1998		06/1999		06/2000
Area Planted	350	350	700	700	1400	1400
Area Harvested	280	280	500	500	1000	1000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	6	6	12	12	20	20
Imports	34	34	28	28	24	24
TOTAL SUPPLY	40	40	40	40	44	44
Exports	3	3	3	3	5	5
Fresh Dom. Consumption	35	35	35	35	35	35
Processing	2	2	2	2	4	4
TOTAL DISTRIBUTION	40	40	40	40	44	44